

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;
Mark Acton, Vice Chairman; and
Robert G. Taub

Competitive Product Price Changes
Rates of General Applicability

Docket No. CP2014-55

NOTICE AND ORDER CONCERNING CHANGES IN RATES OF
GENERAL APPLICABILITY FOR PRIORITY MAIL

(Issued July 3, 2014)

I. INTRODUCTION

On July 1, 2014, the Postal Service filed a notice pursuant to 39 CFR 3015.2 of its intention to change rates of general applicability for the competitive Priority Mail product.¹ Attached to the Notice is the Governors' Decision No. 14-03, which establishes the changes and contains proposed changes to the Mail Classification Schedule in legislative format.² The Notice also includes a redacted annex showing FY 2015 projected volumes, revenues, attributable costs, and cost coverage for the Priority Mail product. It includes an application for non-public treatment of the

¹ Notice of the United States Postal Service of Changes in Rates of General Applicability for Competitive Products Established in Governors' Decision No. 14-3, July 1, 2014 (Notice). Pursuant to 39 U.S.C. 3632(b)(2), the Postal Service is obligated to publish the Governors' Decision and record of proceedings in the *Federal Register* at least 30 days before the effective date of the new rates or classes.

² Decision of the Governors of the United States Postal Service on Changes in Rates of General Applicability for Competitive Products (Governors' Decision No. 14-03), June 18, 2014 (Governors' Decision).

attributable cost and cost coverage data for the unredacted version of the annex, as well as the supporting materials for the data. The changes are scheduled to take effect on September 7, 2014. Notice at 1.

II. NOTICE OF FILINGS

The price changes are focused on Priority Mail, primarily in ground zones (Zones 1-4) and for heavier weighted (six-to-twenty pounds) pieces. Governors' Decision at 1. Retail prices will have an average price increase of 1.7 percent, Commercial Base prices will have an average price decrease of 0.9 percent, and Commercial Plus prices will have an average price decrease of 2.3 percent. *Id.* The Governors' Decision indicates that the price decreases are targeted to attract ground volume in the six-to-twenty pound weight cells. *Id.*

The Governors' Decision also indicates that the price changes should enable each competitive product to cover its attributable costs and should result in competitive products as a whole continuing to contribute more than 5.5 percent to the Postal Service's institutional costs in compliance with 39 U.S.C. 3633(a) and 39 CFR 3015.7(c). *Id.*

III. COMMISSION ACTION

The Commission establishes Docket No. CP2014-55 to consider the issues raised by the Postal Service's Notice. Interested persons may submit comments on whether the planned changes are consistent with 39 U.S.C. 3632 and 3633, and 39 CFR 3015.2. Comments are due no later than July 17, 2014. The public portions of these filings can be accessed via the Commission's website (<http://www.prc.gov>).

Pursuant to 39 U.S.C. 505, the Commission designates Lyudmila Bzhilyanskaya to serve as Public Representative and represent the interests of the general public in this docket.

IV. ORDERING PARAGRAPHS

It is ordered:

1. The Commission establishes Docket No. CP2014-55 to consider the matters raised in this docket.
2. Pursuant to 39 U.S.C. 505, Lyudmila Bzhilyanskaya is appointed to serve as an officer of the Commission to represent the interests of the general public in these proceedings (Public Representative).
3. Comments are due no later than July 17, 2014.
4. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Ruth Ann Abrams
Acting Secretary